

## EXECUTIVE SECRETARIAT

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Remarks:

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Executive Secretary

5/16/83

Date

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No. ER-1934/3-83

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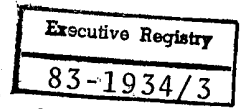
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May 13, 1983

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Poland: Next Steps (S)

The President has approved the strategy paper, "Next Steps on Poland" with several amendments. A copy (with changes and additions) is attached for your information. (S)

Additionally, the President has instructed that:

- This strategy be conveyed to the Allies in its entirety with clear references to the continuity between our previous policy and the steps we are now interested in undertaking. (S)
- The Poles not be apprised of each step in detail, only the parameters. Step 1 should be explained explicitly and Step 4 should only be referred to (e.g., there can be no further normalization until the workers' rights to form free labor unions has been restored). The other steps (2/3) should not be mentioned unless circumstances warrant some general discussion of them.
- The initiative be raised (circumstances permitting) in the May 11 Political Directors meeting.
- As this is a "step-by-step approach," appropriate inter-agency clearances should be sought for all related talking points and instructions.
- There is a need for interagency consideration of how and when we present debt rescheduling and our other steps to the public. The continuity of this initiative with our past policy should be clearly indicated. (S)

FOR THE PRESIDENT:

  
William P. Clark

Attachment

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SECRETSENSITIVE**SECRET**SYSTEM II  
90395Next Steps on Poland (S)

This paper sets forth an illustrative scenario, linking movement on our part on debt rescheduling with measured, continual improvement in the human rights/political situation in Poland. This scenario reflects the desire of the NSC Planning Group for the United States to regain control of this negotiating situation, to reconstitute Allied solidarity on the question of Polish debt rescheduling, and to develop a balanced approach to this question, bearing in mind our numerous other interests which will be affected by an approach to the Polish debt question. The paper also proposes that multilateral movement on debt rescheduling be complemented with unilateral carrots (fisheries, etc.). (S)

This proposed strategy is two-phased: Short-term -- Steps 1 - 3 (debt rescheduling, fisheries, etc.); Long-term -- Step 4 (economic normalization). Assuming that each of the first three steps proposed have been successfully implemented, only then will we consider moving into the second, long-term phase. That is, the more long-term proposal (Step 4) would not be implemented unless the Polish Government meets the required human rights/political conditions. Step 4 recommends that if the Polish Government restores the workers' rights to form free labor unions, the USG will engage in economic normalization with the Poles (e.g., MFN, new credits, etc.). Contingent upon economic/political circumstances at the time Step 4 is being considered, economic normalization may include these examples and/or others. (S)

At the Paris Club meeting on April 12, the U.S. agreed to a British proposal that a members' working group be constituted and tasked with preparing an evaluation of Poland's performance of its financial obligations under the 1981 rescheduling agreements. The working group is to report to the next Paris Club meeting in mid-May. We have, meanwhile, told the Allies that our review of the situation in Poland is nearing completion. (S)

If you approve the scenario outlined in this paper, we will plan to begin consultations with the Allies on May 9 and seek their agreement in time for the next Paris Club meeting of Poland's creditors (May 13-18). Specifically, in these discussions before the U.S. agrees to rescheduling, we will insist that our Allies join us in ensuring that the proposed human rights and political conditions are met. Assuming there is Allied agreement on the proposed strategy, we will approach the Poles at the end of May. (S)

The key elements of the rescheduling scenario are:

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-- A step-by-step approach: We will not proceed from one step to the next until the preceding step has been fully implemented to our satisfaction.

-- Flexibility: The steps are tailored so that they may be altered to adapt to change. Specifically, parts of steps may be combined to accelerate the process in the event that human rights/political change proceeds at a pace more rapidly than we envisaged, or steps may be stretched out to allow more time for economic/human rights conditionality to be fully implemented.

-- Fail-safe points: The process is conceived so as to allow a unilateral or multilateral cessation of the process should events so warrant (tank clause). (S)

#### Steps for Debt Rescheduling

(Note: Rescheduling (Steps 1 - 3) will not entail any new credits by the USG.) (S)

1. Assuming Allied agreement, tell the Poles that the Paris Club agrees to meet with Poles after July 1 to evaluate compliance with 1981 re-scheduling agreement; reach agreement on payment schedule for 1981 debt not rescheduled (principal and interest) and interest on the rescheduled debt. Indicate to Poles at that time willingness to discuss 1982 rescheduling provided Poles have agreed to the above repayment schedules. (S)

#### Human Rights/Political Conditionality

Peaceful, successful completion of Pope's visit (e.g., travel and statements are not thwarted by regime); release of the vast majority of political prisoners (includes top Solidarity leadership, detainees, those arrested under martial law provisions, those conscripted unfairly into military internment camps). (S)

Finally, make it clear to the Poles and Allies that the outcome of the talks will be governed by Polish performance on the political conditions in column 2. \* (S)

Bilateral step: Inform the Poles that following a peaceful, successful Papal visit and the release of the vast majority of political prisoners, we would be prepared to grant Poland a modest fishing allocation in U.S. waters. (S)

\* Treasury believes the Europeans will insist on rescheduling even if the vast majority of political prisoners are not released. Such a U.S. precondition might, however, delay the date for such a rescheduling. (S)

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2. Activate Polish Creditors Group to obtain necessary economic information prior to entering into debt rescheduling talks and, when they have completed their work, begin 1982 debt rescheduling negotiations, provided principal and interest on 1981 debt not rescheduled is paid in full and a down payment is received on interest pursuant to 1981 rescheduling. (S)

Cease harassment of Walesa; cessation of harassment and the reemployment of released political prisoners; progress on mutually agreed package of economic reform (for example, establishment of workers' councils, guaranteed support by the GOP for private sector agriculture). (S)

3. Begin discussions on 1983 rescheduling conditioned on adherence to 1981 and 1982 agreement. (S)

Continued human rights and economic reform progress. (S)

4. Engage in economic normalization with the Poles (e.g., MFN, new credits, etc.). (S)

Restore workers' rights to form free labor unions. (S)

#### Implementation

Plan to begin consultations with our Allies on May 9 and, assuming they agree, tell the Poles that we agree to a Paris Club meeting with them after July 1 on debt rescheduling. (S)

At some point, the question of Poland's pending application for membership in the IMF may arise. While we will need to deal with this issue at some future time in the context of our overall approach to Poland, a Presidential decision is not necessary at this time. (S)

Footnote: OSD believes "We should make clear to the Europeans that the U.S. believes that any new credits will be, in fact, Western grants and that we foresee no likelihood that the U.S. would grant new credits to the Jaruzelski regime." (S)

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ROUTING AND RECORD SHEET				
<b>SUBJECT:</b> (Optional) Poland: Next Steps				
<b>FROM:</b> Stanley M. Moskowitz NIO/USSR-EE			<b>NO.</b> 25X1 <b>DATE</b> 29 April 1983	
<b>TO:</b> (Officer designation, room number, and building)	<b>DATE</b>		<b>OFFICER'S INITIALS</b>	<b>COMMENTS</b> (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	<b>RECEIVED</b>	<b>FORWARDED</b>		
1. ER	29 APR 1983			25X1  ok w DDCI to LDX over — thank, <div style="border: 1px solid black; width: 100px; height: 20px; margin: 10px auto;"></div> 25X1  Attachment # 2 LDX'd to Mr. Clark, 1815, 29 Apr 83.  <u>Distribution/entire package</u>  DCI  DDCI  DDI  NIO/USSR-EE  NIO/ECON  SA/IA  <u>Executive Registry</u>
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**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D.C. 20505

**National Intelligence Council**

NIC #3170-83  
29 April 1983

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : Stanley M. Moskowitz  
National Intelligence Officer for USSR-EE

SUBJECT : Memorandum from William P. Clark, dated 28 April 1983  
Subject: Poland: Next Steps

1. Background. I believe that the NSC Memorandum faithfully responds to the President's directive given at the NSPG meeting which you attended on 8 April. We have discussed it with the NSC staff which informed us that:

- They are planning to add one condition on Page 2: "Cease harrassment of Walesa."
- They envisage that, if the Paris club agrees to the US approach, it dispatch an emissary to deliver the message to the Poles.

I recommend that you support the NSC memorandum with one change outlined in Para 4 below and spelled out in Att. 1.

2. Analysis of Situation. We are caught in a dilemma. Jaruzelski's top priority is control and he will not do anything -- particularly liberalization -- to endanger it. He agreed to the Papal visit in order to keep Glemp happy and to make it appear that only the US is opposed to normalization of relations. If the administration wants to use the Pope's visit as a way of keeping ahead of the Allies on rescheduling, fine. However, adding a caveat on Walesa may prove to be more troublesome. We can hardly move toward normalization with Jaruzelski's twisting Walesa's arm on the front page of the Washington Post. But Jaruzelski can hardly let Walesa more or less openly foment trouble for the regime without retribution. So, we may never get beyond the first step.

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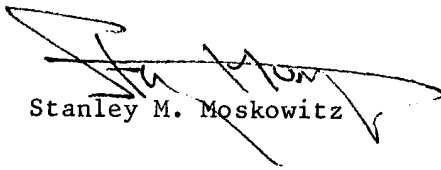
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5 Recommendation. That we concur in the basic NSC approach but with the following suggestion:

Be less specific in the way we lay down some of our conditions so that it is harder for the Poles to reject them outright as violating Polish sovereignty (e.g. mutually agreed package of economic reform) or, conversely, to conform to the letter of the conditions while violating their spirit (e.g. by claiming that they already have Workers' Councils). Thus, on top of page three modify section after semicolon to read:

Progress on economic reform, to include legitimate workers' rights and improving the functioning of private agriculture.

6. The attachment incorporates this suggestion in a form which can be LDXd to NSC.



Stanley M. Moskowitz

Attachment: As stated

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Attachment 1

Proposed CIA Comments on NSC Paper  
(Poland: Next Steps)

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1600 29 April

Date

**Remarks:**

Please coordinate with NIO/Econ and  
prepare comments for DDCI signature.

Executive Secretary

29 April 83

Date

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**THE WHITE HOUSE  
WASHINGTON**

Executive Registry

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Copy 2

April 28, 1983

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Poland: Next Steps (S)

At the April 8 NSPG meeting on Poland, the President asked that a position be reached between Options 2 and 3 of the policy paper discussed. The attached paper prepared by State/NSC/Treasury seeks to reflect this position. Please review and forward all comments by noon, Saturday, April 30, to NSC. Note that the attached document is extremely sensitive and should be handled as such. (S)

  
William P. Clark

Attachment

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Declassify on: OADR

**SECRET**COPY 6 OF 7 COPIES

SECRETSENSITIVE**SECRET**Next Steps on Poland (S)

This paper sets forth an illustrative scenario, linking movement on our part on debt rescheduling with measured, continual improvement in the human rights/political situation in Poland. This scenario reflects the desire of the NSC Planning Group for the United States to regain control of this negotiating situation, to reconstitute Allied solidarity on the question of Polish debt rescheduling, and to develop a balanced approach to this question, bearing in mind our numerous other interests which will be affected by an approach to the Polish debt question. The paper also proposes that multilateral movement on debt rescheduling be complemented with unilateral carrots (fisheries, withdrawal of political objections to other countries extending credits to Poland). (S)

This proposed strategy is two-phased: Short-term -- Steps 1 - 3 (debt rescheduling, fisheries, etc.); Long-term -- Step 4 (economic normalization). Assuming that each of the first three steps proposed have been successfully implemented, only then will we consider moving into the second, long-term phase. Step 4 recommends that if the Polish Government restores the workers' rights to form free labor unions, the USG will engage in economic normalization with the Poles (e.g., MFN, new credits, etc.). Contingent upon economic/political circumstances at the time Step 4 is being considered, economic normalization may include these examples and/or others. (S)

At the Paris Club meeting on April 12, the U.S. agreed to a British proposal that a members' working group be constituted and tasked with preparing an evaluation of Poland's performance of its financial obligations under the 1981 rescheduling agreements. The working group is to report to the next Paris Club meeting in mid-May. We have, meanwhile, told the Allies that our review of the situation in Poland is nearing completion. (S)

If you approve the scenario outlined in this paper, we will begin consultations with the Allies on May 2 and seek their agreement in time for the next Paris Club meeting of Poland's creditors (May 13-18). Assuming there is Allied agreement on the proposed strategy, we will approach the Poles at the end of May. (S)

The key elements of the rescheduling scenario are:

-- A step-by-step approach: We will not proceed from one step to the next until the preceding step has been fully implemented to our satisfaction.

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-- Flexibility: The steps are tailored so that they may be altered to adapt to change. Specifically, parts of steps may be combined to accelerate the process in the event that human rights/political change proceeds at a pace more rapidly than we envisaged, or steps may be stretched out to allow more time for economic/human rights conditionality to be fully implemented.

-- Fail-safe points: The process is conceived so as to allow a unilateral or multilateral cessation of the process should events so warrant (tank clause). (S)

Steps for Debt ReschedulingHuman Rights/Political Conditionality

1. Assuming Allied agreement, tell the Poles that the Paris Club agrees to meet with Poles after July 1 to evaluate compliance with 1981 re-scheduling agreement; reach agreement on payment schedule for 1981 debt not rescheduled (principal and interest) and interest on the rescheduled debt. Indicate to Poles at that time willingness to discuss 1982 rescheduling provided Poles have agreed to the above repayment schedules.

Peaceful, successful completion of Pope's visit; release of the vast majority of political prisoners.

Finally, make it clear to the Poles and Allies that the outcome of the talks will be governed by Polish performance on the political conditions in column 2. \*

Bilateral step: Inform the Poles that following a peaceful, successful Papal visit and the release of the vast majority of political prisoners, we would be prepared to grant Poland a modest fishing allocation in U.S. waters. (S)

\* Treasury believes the Europeans will insist on rescheduling even if the vast majority of political prisoners are not released. Such a U.S. precondition might, however, delay the date for such a rescheduling. (S)

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2. Activate Polish Creditors Group to obtain necessary economic information prior to entering into debt rescheduling talks and, when they have completed their work, begin 1982 debt rescheduling negotiations, provided principal and interest on 1981 debt not rescheduled is paid in full and a down payment is received on interest pursuant to 1981 rescheduling.

Cessation of harassment and the reemployment of released political prisoners; progress on mutually agreed package of economic reform (for example, establishment of workers' councils, guaranteed support by the GOP for private sector agriculture).

Bilateral step: Withdraw political objections to other countries extending credits to Poland. (S)

3. Begin discussions on 1983 rescheduling conditioned on adherence to 1981 and 1982 agreement. (S)

Continued human rights and economic reform progress.

4. Engage in economic normalization with the Poles (e.g., MFN, new credits, etc.). (S)

Restore workers' rights to form free labor unions.

#### Implementation

Begin consultations with our Allies on May 2 and, assuming they agree, tell the Poles that we agree to a Paris Club meeting with them after July 1 on debt rescheduling.

At some point, the question of Poland's pending application for membership in the IMF may arise. While we will need to deal with this issue at some future time in the context of our overall approach to Poland, a Presidential decision is not necessary at this time. (S)

#### RECOMMENDATION:

That you approve the proposed strategy toward Poland. (C)

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

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Remarks:

Executive Secretary

18 April 83

Date

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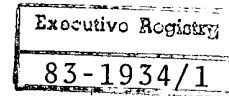
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## THE WHITE HOUSE

WASHINGTON

SECRET

April 18, 1983

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE UNITED STATES REPRESENTATIVE TO  
THE UNITED NATIONS  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Poland: Next Steps (S)

In view of the discussion at the April 8 National Security Planning Group on Poland, the President asked that we not wait until some of our West European Allies publicly splinter and pursue separate policies toward Poland. It is essential that we seize the high ground and present the West Europeans with a policy initiative showing our good faith, forestalling dissension and enabling us to watch Polish willingness to reduce current repressive policies. (S)

He has asked that the SIG-IEP examine options No. 2 and No. 3 -- the issue of debt rescheduling and possible Western support for IMF membership. (S)

Finally, the President has instructed that our delegates to the Paris Club meeting on April 11 state that we are seriously considering the issue of debt rescheduling and that once we have completed our review, we would hold consultations with them. (S)

FOR THE PRESIDENT:

A handwritten signature in dark ink, appearing to be "W. P. Clark".

William P. Clark

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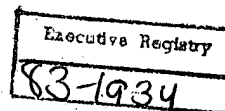
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WASHINGTON, D.C. 20506

att. VIC 2629-83

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April 7, 1983

## MEMORANDUM FOR

Mr. Donald P. Gregg  
Assistant to the Vice President for  
National Security Affairs

Mr. Charles Hill  
Executive Secretary  
Department of State

Mr. David Pickford  
Executive Secretary  
Department of the Treasury

Lieutenant Colonel Richard Higgins  
Assistant for Interagency Matters  
Office of the Secretary of Defense

[Redacted]  
Executive Secretary  
Central Intelligence Agency

Ms. Jacqueline Tillman  
Executive Assistant to the United States  
Representative to the United Nations  
Department of State

Colonel George A. Joulwan  
Executive Assistant to the Chairman  
Joint Chiefs of Staff  
The Pentagon

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SUBJECT: NSPG Meeting on Poland (S)

A National Security Planning Group meeting has been scheduled for Friday, April 8, 1983, 11:00 - 11:30 a.m., in the Situation Room to discuss Poland. An options paper is attached. (S)

Please note new time. (U)

*Michael O. Wheeler*  
Michael O. Wheeler  
Staff Secretary

Attachment

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**SECRET/SENSITIVE****SUBJECT:****NSPG Meeting on Poland, April 8 -- Options Paper**

We urgently need a strategy which will keep maximum pressure on the Poles to improve their human rights performance in the face of new developments in Europe and Poland and that would advance our long-term interest (overall liberalization) in Poland. We must keep the Allies from abandoning our basic approach, and we need to sustain our contact with the Polish people. This paper sets forth: the Allied and Polish situation; our policy options; and the U.S. domestic factor.

### **The Allied Dimension**

Pressures are intensifying in Europe for us to begin rescheduling talks with the Poles without human rights preconditions. UK Foreign Secretary Douglas Hurd called for such talks at an EC press conference following a meeting of EC Foreign Ministers on March 1. The EC Finance Ministers have also made it clear that they expect us to have a position on Poland for the Paris Club meeting April 11-15. Furthermore, the Danish Parliament voted on March 23 to reject an extension of Danish economic sanctions against the USSR as a result of the Polish events. Unless we have a coherent position soon, several members -- including some of our NATO partners -- may

break ranks and begin to normalize relations with Warsaw.

### The Polish Dimension

The situation within Poland is very mixed. On the one hand, the Warsaw government has taken a number of negative steps. Solidarity has been outlawed, former trade union activists are being harassed, more than a thousand political prisoners remain behind bars, and a number of repressive laws have been passed. On the positive side, almost all of the internees have been released, the influence of the Church has been sustained and the regime has demonstrated some moderation in recent court cases, i.e., suspended sentence for Walentynowicz -- a cofounder of Solidarity with Walesa.

At present, attention within Poland is focused on the upcoming Papal visit June 16-22. Like the Pope's visit in June 1979 (which played a key role in the rise of Solidarity), this could become something of a turning point -- with a resurgence of nationalism and political awareness on the part of the average Pole. There could be continued or even intensified repression or the visit could begin a process of gradual reconciliation and reform. The West has an important role to play in determining which direction Poland turns -- both by sustaining pressure and by indicating the kind of positive benefits which can flow from liberalization.



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The Options. There is a spectrum of options for dealing with the Polish situation -- from most ambitious economic carrots for maximum liberalization; to somewhat less ambitious economic and liberalizing programs; to doing nothing further at this time.

1. Together with our Allies prepare a large-scale package of economic incentives, tied Poland's return to the Solidarity era.

Discussion. This "big carrot", Marshall Fund approach would be supported by many segments within the Polish-American community and place maximum pressure on the Warsaw government to improve its human rights performance. It would give meaning to the President's December 23, 1981 speech when he stated, "If the Polish Government will honor the commitments it has made to basic human rights ... we in America will do our share to help the shattered Polish economy ...". However, despite its attractiveness, it has two important drawbacks. First, it could be difficult to convince many of our Allies to come up with the necessary money. Second, we do not see how we could provide the necessary funds ourselves in a period of tight fiscal stringency. Therefore it could be seen as an empty propaganda gesture rather than a serious policy. Furthermore, it might seem so out of touch with realities in Poland as to appear incongruous.

2. Agree with our Allies to approach the Poles are expressing a willingness to begin rescheduling talks and be positioned to respond to a Polish request for Western support for IMF membership in return for Warsaw's agreement to: complete a successful Papal visit, release the vast majority of political prisoners, ensure a worker's right to work, (Cease harassment, frequent layoffs and reinstate those fired for political reasons), secure a private commitment that eventually a worker's right to form free trade unions be restored and a meaningful economic reform be implemented.

Discussion. Advantage of this option is that it positions us to respond to a Polish request for Western support for IMF membership that could be the necessary positive incentive to achieve our political, human rights objectives. Agreement to reschedule the debt offers the Polish regime very little and by itself may not elicit sufficient concessions on the part of the Poles. IMF membership would enable the Polish regime to acquire some necessary financial management and assistance and could also speed liberalizing reforms with positive human rights spillovers. The IMF can impose economic conditionality which the Poles would not be willing to accept from Western governments. If the Poles do not request Western support for IMF membership, then we would be prepared to accept more modest political, human rights concessions from the Poles commensurate with simple rescheduling. Finally, if the Poles reject our

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final demarche we will have achieved in advance Allied agreement to maintain a unified policy toward Poland.

Option 2, however, has potential drawbacks. First, our Allies may oppose it on the grounds that it amounts to politicizing the right to membership in the IMF. On the other hand, some will argue that IMF membership has symbolic importance, and letting Warsaw join could be interpreted as legitimizing the Jaruzelski regime.

3. Agree with our Allies to rescheduling talks (but not IMF) in return for: release of most political prisoners, cessation of harassment of those already released, economic reform (e.g., direct support for the private farm sector) and successful Papal visit (with permanent gains for the Church). Also reinforce freedom of travel and Papal visit, by asking Poles what they would give us if we permitted U.S. and LOT (Polish airline) charter flights to carry Polish-Americans to Poland for the Pope's visit this summer.

By asking less as well as promising less, it could be easier to start the process of liberalization. The probe on U.S. and LOT charters for the Pope's visit has two advantages: without specifying precisely what they would do, the regime has told us they would be prepared to take a positive step if we made such a move (Olazowski's comment to visiting American

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scholar); it could also help to halt the cutback in our contact with the Polish people.

The disadvantages of this approach are that it offers no near-term economic carrot for the significant political steps we are requesting (rescheduling by itself will not be viewed by the regime as helpful, though it would be of political significance and the Poles would see it as a first step). Also the probe on U.S. and LOT charters could be interpreted by some as "normalization" of relations -- though tying it to the Pope's visit should dilute much of this concern.

4. Do nothing now. Tell our Allies and the Poles that the Warsaw government has not taken sufficient steps to restore the human rights of the Polish people to warrant any movement on our part.

Discussion. This approach has the merit of clarity and would be well received by those worried that we want to abandon sanctions. It has the disadvantage that we would run the risk of permitting others to define the agenda and forcing us to react ad hoc rather than control the process. This is true both for our relations with our Allies and our ability to influence the situation within Poland. It also ignores the request of the Solidarity leadership in exile that we become more active again and specifically that we offer inducement to

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get release of political prisoners and cessation of harassment of those already released.

### The Domestic Factor

Regardless of which approach the USG takes it will be criticized domestically. The first option will be criticized in some quarters as too ambitious in a period of economic cutbacks, while the last one will be viewed as too passive in the face of Allied and Polish developments.

While options two and three clearly link human rights progress to Allied and U.S. actions, they are likely to be opposed by some in the Polish-American community and elsewhere. Such criticism appears manageable, however. Assuming Polish authorities begin to move -- even if slowly -- in a positive direction, (a sine qua non for either option) public support for them is likely to build.

Under both options 2 and 3, a two-tier approach could be adopted for implementing such a strategy. First, a special emissary could be sent to discuss the matter with our Allies. Second, assuming Allied concurrence, this individual would then approach the Poles privately on a multilateral basis to pass on the details of the option selected.

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## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

NIC #2629-83

7 April 1983

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM : Stanley M. Moskowitz  
National Intelligence Officer for USSR-EE

SUBJECT : NSPG Meeting on Poland

1. NSC/State paper on the issues to be addressed is forthcoming but we may not receive it until tomorrow morning. We have been told that it will contain several options on US policy toward Poland, and on rescheduling the Polish debt. Apparently someone realized at the last minute that our representatives to Paris club meeting were leaving on Saturday and needed instructions.

2. The paper will probably deal with the advisability of the USG making some positive gestures toward Poland, i.e., lifting at least some of the sanctions imposed on December 1981. At that time the US and NATO stated that the sanctions would not be lifted until Jaruzelski had 1) released political prisoners; 2) lifted martial law, 3) reopened a dialogue with "society" (US) or Solidarity (NATO). Since then Jaruzelski has 1) released most of those interned in December 1981 but jailed others for alleged violations of martial law; 2) suspended martial law but kept in force those provisions he needs to continue ruling by fiat; 3) has flatly refused to reopen the dialogue with Solidarity but has tried to create the appearance of a dialogue with society (new trade unions, discussions with groups alleged to represent society). Beyond this, on the positive side he has agreed to the Papal visit in June, evidently in the hope that it will gain him legitimacy and pave the way for the lifting of Western sanctions; on the negative side he has just restructured the government in a way which points not towards "liberalization" but to a more conservative policy (He dismissed an agricultural minister supposedly committed to private agriculture and appointed a trade union minister distrusted by Solidarity and the majority of the workers). Overall then, he has not come close to fulfilling the Western conditions.

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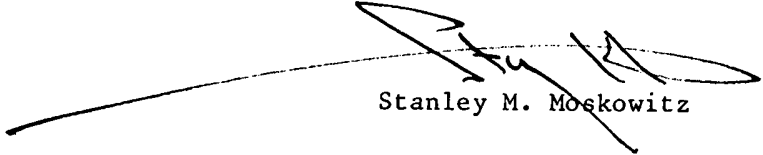


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3. Where does all this leave us? Our sanctions have made life a bit tougher for Jaruzelski but has not made him change course; further, a number of Europeans and the State Department as well would favor lifting some sanctions for the sake of having a more activist US policy (OSD and Treasury will probably be opposed). For their part, over the last few months, the Poles have decreased their demands on us. At one time they wanted all sanctions lifted. Recently they scaled this back to a demand that a direct airlink between the US and Poland be reinstituted. In this situation it may be possible to make that gesture, but only if Poland agreed to accept our Ambassador -- nominee (Jack Scanlan has been waiting for months for agreement.)

4. The fact is that we have played out our sanctions with Poland and Jaruzelski is going to do what he has to do to keep control -- sanctions or not. Earlier this year Jaruzelski made it clear that he also can play the pressure game (We don't like the idea of the Poles cutting down on USIA activities in Poland, etc., etc.) I think there are few illusions left about how much we can achieve by sanctions and pressure will build for easing a bit.

5. Attached: Talking points prepared by EURA.



Stanley M. Moskowitz

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